



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

DEPARTMENT CIRCULAR NO. DC 2021-03-0006 m

**ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY
SPOT MARKET (WESM) MARKET MANUAL ON DISPATCH PROTOCOL FOR
THE IMPLEMENTATION OF ENHANCEMENTS TO WESM DESIGN AND
OPERATIONS**

(Provisions for Must-Run Unit)

WHEREAS, Sections 30 and 37(f) of the Electric Power Industry Reform Act (EPIRA) provides that the Department of Energy (DOE), jointly with the electric power industry participants, shall establish the Wholesale Electricity Spot Market (WESM) and formulate the detailed rules governing the operations thereof;

WHEREAS, on 28 June 2002, the DOE, with the endorsement of the electric power industry participants, promulgated the WESM Rules through Department Circular No. DC2002-06-003;

WHEREAS, any changes, amendments, and modifications to the WESM Rules, Retail Rules and their Market Manuals shall be undertaken in accordance with the provisions of Chapter 8 of the WESM Rules;

WHEREAS, on 14 October 2019, the Market Operator submitted to the Rules Change Committee (RCC) its proposed amendments to the WESM Market Manual on Dispatch Protocol to enhance the procedures for must-run unit;

WHEREAS, the proposal aims to improve the accounting of energy produced due to must-run unit dispatch instruction and processing of discrepancy reports;

WHEREAS, on 18 October 2019, the RCC during its 157th RCC Meeting discussed with the Market Operator the abovementioned proposal, and thereafter approved the posting of the proposed amendments in the Philippine Electricity Market Corporation's information website to solicit comments from the market participants and other interested parties;

WHEREAS, on 06 December 2019, the RCC during its 159th RCC Meeting deliberated on the proposal giving due course to the comments received from the stakeholders and the proponent's response and clarifications;

WHEREAS, on 24 January 2020, the RCC during its 160th the RCC deliberated upon the Market Operator's additional changes to the proposal which includes the conditions to consider for the additional dispatch intervals for the must-run units;

WHEREAS, on 21 February 2020, the RCC during its 161st RCC Meeting finalized and approved the proposed amendments for endorsement to the PEM Board;

WHEREAS, on 25 March 2020, after due evaluation and deliberation, the PEM Board during its 22nd Regular PEM Board Meeting, approved for endorsement to the DOE the above stated RCC-approved proposals;

WHEREAS, on 07 April 2020, the PEM Board-approved proposed amendments to the Market Manual on Dispatch Protocol were submitted to the DOE for final approval, in compliance with Chapter 8 of the WESM Rules;

WHEREAS, on 29 June 2020, the DOE posted the draft Department Circular adopting the proposed amendments in the DOE website to solicit comments from the market participants and other interested parties;

WHEREAS, on 22 and 29 July 2020, the DOE conducted public consultations on the abovementioned proposed amendments to solicit inputs and consider comments of stakeholders in the finalization of the same;

WHEREAS, on 21 October 2020, the DOE discussed with the Market Operator the comments received for the finalization of the proposal;

NOW THEREFORE, after careful review of the PEM Board-approved proposal and the comments and recommendations received on the same, the DOE, pursuant to its authority under the EPIRA and the WESM Rules, hereby adopts, issues, and promulgates the following amendments to the WESM Market Manual on Dispatch Protocol:

Section 1. Amendments to the WESM Market Manual on Dispatch Protocol. The following provisions in the WESM Market Manual on Dispatch Protocol, Issue No. 15.0, are hereby amended:

a. New Section 17.1.8 under Section 17.1 (Overview) is added to read as -

“17.1.8 The *generator* shall also be considered as a *must-run unit* in the *dispatch intervals* succeeding its *dispatch instruction* as *scheduled must-run unit* until the *dispatch interval* when any of the following conditions occur:

- (a) it is deemed to have fully ramped down based on its registered *ramp rate*; or
- (b) it is re-designated as a *must-run unit*.”

b. New Section 17.1.9 under Section 17.1 (Overview) is added to read as -

- "17.1.9 The *generator* shall also be considered as a *must-run unit* in the *dispatch intervals* prior its *dispatch instruction* as *scheduled must-run unit* starting the most recent *dispatch interval* with any of the following conditions:
- (a) it is deemed to have started ramping from zero (0) MW at that *dispatch interval* based on its registered *ramp rate*; or
 - (b) it is a *dispatch interval* after the *generator* was designated as a *must-run unit*."
- c. New Section 17.5.2 under Section 17.5 (Reporting and Publication) is added to read as -
- "17.5.2 Within two (2) *working days* from receipt of a reported discrepancy related to *must-run unit*, the *Market Operator* shall request the *System Operator*, *copy furnish the concerned generator*, to validate a reported discrepancy by a *generator*."
- d. New Section 17.5.3 under Section 17.5 (Reporting and Publication) is added to read as -
- "17.5.3 The *System Operator* shall provide the results of its validation of the reported discrepancies within (7) *working days* from the receipt of the request from the *Market Operator*. If the *Market Operator* has not received any validation within the prescribed timeline, the *Market Operator* shall consider the submitted discrepancies by the *Generator* as valid."
- e. New Section 17.6 (Dispatch Intervals under Ramp Down or Ramp Up) under Section 17 (MANAGEMENT OF MUST-RUN UNITS) is added to read as -
- "17.6 Dispatch Intervals under Ramp Down or Ramp Up
- 17.6.1 The *Market Operator* shall determine the number of *dispatch intervals* when a generator ramped down succeeding its *scheduled must-run unit* designation. Said generator shall additionally be designated as *must-run unit* during the identified dispatch intervals, provided that the generator has not been tagged as *must-run unit*.

The *Market Operator* shall use the following formula in determining the number of dispatch intervals, rounded up to the next whole *dispatch interval*:

$$n_{rd,g,i} = \frac{MRU_{g,i}}{RR_g \times 5}$$

Where:

$n_{rd,g,i}$ refers to the number of *dispatch intervals* that *generator g* will be considered as a *must-run unit* after *dispatch interval i* with *dispatch instruction as must-run unit*

$MRU_{g,i}$ refers to the actual *dispatch*, in MW, of *generator g* as *must-run unit* for *dispatch interval i*

RR_g refers to the registered *ramp rate*, in MW/min, of *generator g*

- 17.6.2 The *Market Operator* shall determine the number of *dispatch intervals* when a generator ramped up prior to its *scheduled must-run unit* designation. Said generator shall additionally be designated as *must-run unit* during the identified *dispatch intervals*, provided that the generator has not been previously tagged as *must-run unit*.

The *Market Operator* shall use the following formula in determining the number of *dispatch intervals*, rounded up to the next whole *dispatch interval*:

$$n_{ru,g,i} = \frac{MRU_{g,i}}{RR_g \times 5} - 1$$

Where:

$n_{ru,g,i}$ refers to the number of *dispatch intervals* that *generator g* will be considered as a *must-run unit* from *dispatch interval i* with *dispatch instruction as must-run unit*

$MRU_{g,i}$ refers to the actual *dispatch*, in MW, of *generator g* as *must-run unit* for *dispatch interval i*

RR_g refers to the registered *ramp rate*, in MW/min, of *generator g*

Section 2. Applicability Provisions. The foregoing amendments to the subject Market Manual set forth in this Circular shall apply only to the enhanced WESM design and operations.

Section 3. Separability Clause. If for any reason, any section or provision of this Circular is declared unconstitutional or invalid, such parts not affected shall remain valid and subsisting.

Section 4. Effectivity. This Circular shall take effect fifteen (15) days following its complete publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked. Copies thereof shall be filed with the University of the Philippines Law Center – Office of National Administrative Register (UPLC-ONAR).

Issued this _____ 2021 at the DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.


ALFONSO G. CUSI
Secretary



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